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FISCAL IMPACT STATEMENT

LS 6503

BILL NUMBER: HB 1540

NOTE PREPARED: Jan 21, 2013

BILL AMENDED:

SUBJECT: Public Transportation Corporations.

FIRST AUTHOR: Rep. GiaQuinta

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill authorizes the following funding sources for public transportation corporations:

- (1) The County Adjusted Gross Income Tax (CAGIT).
- (2) The County Option Income Tax (COIT).
- (3) The County Economic Development Income Tax (CEDIT).
- (4) The Local Option Income Tax (LOIT) imposed for public safety purposes.
- (5) A \$10 city registration fee on passenger cars and trucks having a declared gross weight of less than 11,000 pounds.
- (6) A referendum tax levy.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Bureau of Motor Vehicles (BMV)* - The bill will minimally increase costs for the BMV or its branch managers to collect and remit the city registration fee if it is imposed by a city fiscal body. The BMV or its branch manager is to remit a report on a form prescribed by the State Board of Accounts.

Explanation of State Revenues:

Explanation of Local Expenditures: If the fiscal body of a city adopts a resolution to put a referendum tax levy on the ballot, additional costs may be incurred in adding the question to existing ballots, if the election will be held at the primary, general, or municipal election at which all the registered voters of the public

transportation corporation are entitled to vote. However, if the question is placed in a special election, additional costs may accrue, including ballot printing costs and precinct election board expenditures. These additional costs are to be paid by the city.

Background: Indiana currently has eight public transportation corporations. These include public transportation corporations in Fort Wayne, Muncie, Gary, Indianapolis, Speedway, Bloomington, South Bend, and Lafayette.

Explanation of Local Revenues: *Local Option Income Taxes* - This bill allows counties with a LOIT to use some of the revenue collected through the general CAGIT, COIT, or CEDIT to fund a public transportation corporation. Current statute only authorizes Marion County to use LOIT revenue for this purpose. In addition, the bill authorizes revenue collected from the LOIT imposed for public safety purposes to be used to fund a public transportation corporation. The original purpose of the LOIT for public safety is to fund police, fire protection, emergency medical services, corrections, pension payments, or other public safety-related expenses. Ninety-one counties levy either a CAGIT, COIT, or CEDIT, and 21 of those counties impose a LOIT for public safety. This bill does not alter the existing rate limitations for the specified taxes. It only provides a new use for the revenue routinely collected.

City Registration Fee - A city fiscal body may impose a city registration fee of \$10 on passenger vehicles and trucks under 11,000 pounds if public transportation services are provided in the city by a public transportation corporation. The fee is to be collected by the BMV, which would remit the fees collected to the city fiscal officer. Data for vehicle registrations are available at the county level, not the city level. Therefore, the estimated number of city registrations provided below is based on the ratio of population in the city to the population in the county. The following table provides estimates of the revenue the public transportation corporations may receive if the cities of these existing corporations were to impose this fee.

County	Public Transportation Corporation	Estimated City Registrations *	Estimated Revenue
Allen	Fort Wayne	211,999	\$2.1 M
Delaware	Muncie	53,122	\$0.5 M
Lake	Gary	59,338	\$0.6 M
Marion	Indianapolis	659,313	\$6.6 M
Marion	Speedway	9,492	\$0.09 M
Monroe	Bloomington	53,181	\$0.5 M
St. Joseph	South Bend	78,726	\$0.8 M
Tippecanoe	Greater Lafayette	47,453	\$0.5 M
* For passenger vehicles and trucks less than 11,000 lbs (Source: BMV)			

Referendum Tax Levy - A fiscal body may adopt a resolution for a referendum tax levy that may be imposed for up to seven years. The tax levy may be used to pay operating expenses of a public transportation corporation. If a referendum fails to receive a majority of the persons who voted in the referendum, another referendum may not be held for one year. Property taxes that are levied as a result of a referendum are exempt

from the circuit breaker caps.

State Agencies Affected: BMV.

Local Agencies Affected: Public transportation corporations; city fiscal bodies; county election boards.

Information Sources: State Budget Agency; LOIT Certified Distribution 2013; BMV.

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